



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

January 28, 2013

To: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name of the Chief Executive Officer.

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

SACRAMENTO UPDATE

Executive Summary

This memorandum provides an update on the following:

- An overview of Governor Brown's State of the State Address in which he outlined his FY 2013-14 Proposed Budget and goals for 2013.
- A summary of the Governor's Proclamation calling the Legislature into a Special Session on Health Care Reform.
- A report on the Senate Budget and Fiscal Committee informational hearing on the Governor's FY 2013-14 Proposed Budget and other various committee hearings.
- A report on the Senate and Assembly Public Safety Committees' joint informational hearing on gun violence and firearms law in California.

State of the State Address

On January 24, 2013, Governor Brown made his State of the State Address in which he outlined his FY 2013-14 State Budget plan and legislative goals for the coming

"To Enrich Lives Through Effective And Caring Service"

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year. The Governor announced that in just two years the State Budget is solid. He lauded the Legislature for casting the difficult votes to cut billions of dollars from the State Budget and acknowledged the voters for passage of Proposition 30 on the November 2012 ballot. However, cautioned that the funding provided under Proposition 30 is temporary and that the State must learn to live within its means and not spend money that it does not have. He reiterated that the budget is balanced, but stressed that the State faces risks and uncertainties, including the implementation of Health Care Reform, which could drive a hole in the State Budget.

The Governor indicated that he will focus on the following issues:

- Education Reform which includes returning maximum authority and discretion for K-12 education back to the local level.
- Health Care Reform implementation which includes a proclamation of a Special Session.
- Job Creation which includes changes to the Enterprise Zone Program and Jobs Hiring Credit.
- California Environmental Quality Act Reform which includes streamlining regulatory procedures.
- Water Resources which includes a plan to protect the State's water supply in the San Joaquin Delta in the event of an earthquake, hundred-year storm or a rise in sea level and improve the ecology of the Delta.
- Climate change which includes reducing electricity consumption through efficiency standards for buildings and appliances.
- Transportation and High Speed Rail.

The Administration will release details on these initiatives in the coming weeks.

Extraordinary Session on Health Care Reform

On January 24, 2013, Governor Brown issued a proclamation calling the Legislature into a Special Session to consider legislation to enact Health Care Reform. During a Special Session, the Legislature is limited to considering only those specific matters

identified in the Governor's Proclamation. The Health Care Reform proclamation instructs the Legislature to consider the following items:

- 1) Rules and regulations for the private health market governing individual and small groups with regard to guaranteed coverage, pre-existing conditions, rating restrictions and other requirements necessary to conform to Federal law.
- 2) Changes to the Medi-Cal Program necessary to implement the Federal law including eligibility requirements, enrollment and retention.
- 3) Options to allow low-cost health coverage to be provided to individuals who have incomes up to 200 percent of the Federal Poverty Level through the California Health Benefits Exchange, to the extent allowed by Federal law.

The Special Session will begin on January 28, 2013. Bills enacted in a Special Session take effect 91 days after the final adjournment of the session. The proclamation does not instruct the Legislature to consider legislation to expand the Medi-Cal Program. The Governor has previously indicated that the Medi-Cal expansion is complex and that it will take more time to work with counties to determine funding levels and cost sharing issues.

State Budget Committee Hearings

On January 24, 2013, the Senate Budget and Fiscal Review Committee conducted an informational hearing on the Governor's FY 2013-14 Proposed Budget. Staff from the Department of Finance and the Legislative Analyst, Mac Taylor, provided the committee with overviews of the Governor's Budget plan. The committee took no action on the Governor's Budget. On February 21, 2013 the committee is scheduled to convene a hearing to receive an overview of the health care budget. Additional Senate budget committee hearings will be scheduled in the coming weeks. The Assembly Budget Committee will conduct its informational hearing on the Governor's Proposed Budget on January 31, 2013.

Assembly Health Committee

On January 29, 2013, the Assembly Health Committee will convene an informational hearing titled "Improving Outcomes through the Patient Centered Medical Home." Dr. Mitch Katz will provide testimony at the hearing on the topic of Medical Homes.

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Joint Hearing on Gun Violence and Firearms Law in California

On January 28, 2013, the Senate and Assembly Public Safety Committees will conduct a joint informational hearing titled "Gun Violence and Firearms Law in California." Those listed to testify include representatives from the California Department of Justice; the Bureau of Firearms; the National Rifle Association; Gun Owners of California; and the Brady Campaign Against Gun Violence; among others.

We will continue to keep you advised.

WTF:RA
MR:VE:IGEA:ma

c: All Department Heads
Legislative Strategist